

HOUSE BILL No. 1144

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-6-12.

Synopsis: Mortgage fraud unit. Establishes the mortgage fraud unit within the office of the attorney general. Requires the unit to: (1) investigate allegations of fraud in connection with mortgage lending; (2) institute appropriate civil actions to remedy results of fraud in connection with mortgage lending; and (3) cooperate with appropriate federal and state agencies in the prosecution of criminal violations involving fraud in connection with mortgage lending.

Effective: July 1, 2001.

Mahern, Avery

January 9, 2001, read first time and referred to Committee on Financial Institutions.

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Introduced

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

HOUSE BILL No. 1144

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-6-12 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2001]:

4 **Chapter 12. Mortgage Fraud Unit**

5 **Sec. 1.** As used in this chapter, "unit" refers to the mortgage
6 fraud unit established by section 2 of this chapter.

7 **Sec. 2.** The mortgage fraud unit is established in the office of the
8 attorney general.

9 **Sec. 3.** The attorney general shall hire qualified individuals to
10 implement the responsibilities of the unit, subject to the budget
11 agency's approval under IC 4-12-1-13.

12 **Sec. 4.** The unit shall do the following:

13 (1) Investigate allegations of fraud in connection with
14 mortgage lending.

15 (2) Institute appropriate administrative and civil actions to
16 redress fraud in connection with mortgage lending.

17 (3) Cooperate with federal, state, and local law enforcement



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1 agencies in the investigation of fraud in connection with
2 mortgage lending.

3 (4) Cooperate with appropriate federal and state agencies in
4 the prosecution of criminal violations involving fraud in
5 connection with mortgage lending.

6 Sec. 5. (a) The unit shall cooperate with the following to
7 implement this chapter:

8 (1) The professional licensing agency and the appropriate
9 licensing boards with respect to persons licensed under IC 25.

10 (2) The department of financial institutions.

11 (3) The department of insurance with respect to the sale of
12 insurance in connection with mortgage lending.

13 (4) The securities division of the office of the secretary of
14 state.

15 (5) The Indiana supreme court disciplinary commission with
16 respect to attorney misconduct.

17 (b) The attorney general may file complaints with any of the
18 agencies listed in subsection (a) to implement this chapter.

19 (c) The establishment of the unit and its powers do not limit the
20 jurisdiction of any agency described in subsection (a).

21 Sec. 6. The attorney general and an investigator of the unit may
22 do any of the following when investigating alleged fraud in
23 connection with mortgage lending:

24 (1) Issue and serve a subpoena for the production of records,
25 including records stored in electronic data processing systems,
26 for inspection by the attorney general or the investigator.

27 (2) Issue and serve a subpoena for the appearance of any
28 person before the attorney general to provide testimony under
29 oath.

30 (3) Apply to a court with jurisdiction to enforce a subpoena
31 described in subdivision (1) or (2).

32 Sec. 7. The attorney general may make recommendations to the
33 general assembly for appropriate legislation to address fraud in
34 connection with mortgage lending.

35 Sec. 8. The unit shall initiate and maintain an education
36 program to inform consumers of mortgage loans of fraud in
37 connection with mortgage lending. The unit shall cooperate with
38 the agencies listed in section 5(a) of this chapter to develop and
39 implement the education program required by this section.

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